

MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
TRANSPORTATION REVIEW COMMITTEE

October 29, 2009

Maricopa Association of Governments Office
302 North First Avenue, Suite 200, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Peoria: David Moody	Maricopa County: John Hauskins
ADOT: Steve Hull for Floyd Roehrich	Mesa: Brent Stoddard for Scott Butler
#Avondale: David Fitzhugh	Paradise Valley: Bill Mead
Buckeye: Scott Lowe	Phoenix: Ed Zuercher
Chandler: Dan Cook for Patrice Kraus	Queen Creek: Wendy Kaserman
El Mirage: Pat Dennis for Lance Calvert	RPTA: Bryan Jungwirth
Fountain Hills: Randy Harrel	Scottsdale: Dave Meinhart
*Gila Bend: Rick Buss	Surprise: Bob Maki
Gila River: Sreedevi Samudrala for Doug Torres	Tempe: Jyme Sue McLaren for Chris Salomone
Gilbert: Michelle Gramley for Tami Ryall	Valley Metro Rail: John Farry
Glendale: Bob Darr for Terry Johnson	Wickenburg: Rick Austin
Goodyear: Cato Esquivel	Youngtown: Grant Anderson for Lloyce Robinson
Guadalupe: Gino Turrubiarres	
*Litchfield Park: Woody Scoutten for Mike Cartsonis	

EX-OFFICIO MEMBERS ATTENDING

*Street Committee: Darryl Crossman, City of Litchfield Park	Bicycle/Pedestrian Committee: Peggy Rubach, RPTA
*ITS Committee: John Abraham, City of Surprise	*Transportation Safety Committee: Kerry Wilcoxon, City of Phoenix

* Members neither present nor represented by proxy. + - Attended by Videoconference
- Attended by Audioconference

OTHERS PRESENT

Eric Anderson, MAG	Kevin Wallace, MAG	Karen Peters, Phoenix
Maureen DeCindis, MAG	Eileen Yazzie, MAG	Andy Granger, Peoria
Roger Herzog, MAG	John Dickson, ADOT	Thomas Relucio, Glendale
Christina Hopes, MAG	Clem Ligocki, MCDOT	Wulf Grote, METRO
Marc Pearsall, MAG	Bill Vachon, FHWA	Ray Dovalina, Phoenix
Nathan Pryor, MAG	Kwi-Sung Kang, MAG	Linda Branch-Dasch, MCDOT
Monique de los Rios -Urban, MAG	Connie Randall, Phoenix	
	Matt Busby, Apache Junction	

1. Call to Order

Chairman David Moody from the City of Peoria called the meeting to order at 10:05 a.m. Chairman Moody started the meeting with a few brief announcements. He reminded the Committee of the MAG Committee Operating Procedures and Policies approved by the MAG Regional Council, which required a quorum at all times during the meeting. Chairman Moody directed the Committee's attention to a memorandum at their places from the MAG Executive Director regarding the "Arizona We Want" Gallup poll.

2. Approval of the Draft October 1, 2009 Minutes

Chairman Moody asked if there were any changes or amendments to the October 1, 2009 meeting minutes, and there were none. Mr. Bryan Jungwirth from RPTA moved to approve the minutes. Mr. David Meinhart from City of Scottsdale seconded the motion, and the minutes were subsequently approved by unanimous voice vote of the Committee.

3. Call to the Audience

Chairman Moody stated that he had not received any request to speak cards from the audience and moved onto the next item on the agenda.

4. Transportation Director's Report

Chairman Moody invited Mr. Eric Anderson from MAG to present the Transportation Director's Report. Mr. Anderson reported that the September Regional Area Road Fund (RARF) revenues had decreased by 13.4 percent compared to September 2008. He also reported that year-to-date RARF revenues were down 13.6 percent.

Mr. Anderson announced that the MAG Regional Council had approved a modification the November 30, 2009 hard deadline to obligate projects funded by the American Recovery and Reinvestment Act of 2009 (ARRA). He stated the Regional Council voted to change the November deadline to a milestone for locally sponsored ARRA projects to obligate. He added that a hard deadline would be established for the month of January.

Mr. Anderson also announced that MAG Regional Council approved the tentative scenario for the Freeway Life Cycle Program (FLCP), which deferred over \$6 billion in project funding to an unfunded phase of the program. He reported that MAG Staff would begin the cash flow analysis and fiscally balance the FLCP based on the approved prioritization of projects.

Mr. Anderson reported that the MAG Federal Fund Working Group met on October 22, 2009. He explained the Working Group was reviewing the Draft MAG Federal Fund Programming

Principles. Mr. Anderson stated that at the meeting, MAG Staff presented a survey of the programming processes and deferral policies of six large Metropolitan Planning Organizations (MPOs). He added that a third meeting of the MAG Federal Fund Working Group meeting would be held in December 2009; however, the exact date had not been determined.

Chairman Moody asked if there were any questions or comments about this agenda item. There were none, and this concluded the Transportation Director's Report.

5. Approval of Consent Agenda

Addressing the next order of business, Chairman Moody directed the Committee's attention to the consent agenda. He inquired if there were any questions or comments about consent agenda item 5a on the Transportation Review Committee tentative 2010 meeting schedule. There were none. Ms. Pat Dennis from the City of El Mirage motioned to approve the consent agenda. Mr. Ed Zuercher from the City of Phoenix seconded, and the motion was approved by a unanimous voice vote of the Committee.

6. Project Changes – Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program

Chairman Moody invited Ms. Eileen Yazzie, MAG Transportation Programming Manager, to present proposed project changes to the MAG Fiscal Year (FY) 2008-2012 Transportation Improvement Program (TIP). Ms. Yazzie directed the Committee's attention to a revised project change sheet at their places that included an additional column regarding air quality conformity determination.

Ms. Yazzie explained that the project changes with a conformity notation would be heard by the Management Committee in November and by the Transportation Policy Committee and Regional Council in December. She stated that the project changes would be presented for inclusion in the MAG TIP pending the conformity determination was approved by the MAG Regional Council.

Chairman Moody asked if there were any questions or comments about the agenda item, and there were none. Mr. Meinhart motioned to approve of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2007 Update. Mr. John Hauskins from Maricopa County seconded the motion, and the project changes were approved by a unanimous voice vote of the Committee.

7. Federal Funded Projects Not Obligating in FFY 2009

Chairman Moody invited Ms. Yazzie to present on federally funded projects that would not obligate in Federal Fiscal Year (FFY) 2009. Ms. Yazzie reported that after the completion of the Federal Fund Closeout Process MAG received notification that two additional projects would not obligate in FFY 2009.

Ms. Yazzie informed the Committee that the current Federal Fund Programming Principles did not address projects that failed to obligate outside the closeout process. She explained that the local agency sponsors (City of Scottsdale and Town of Fountain Hills) had requested to defer the projects from FFY 2009 to FFY 2010. Mr. Grant Anderson from the Town of Youngtown motioned to defer the two projects from FFY 2009 to FFY 2010 as requested. Mr. Scott Lowe from the Town of Buckeye seconded, and the motion was approved by a unanimous voice vote of the Committee.

8. Re-allocation of Unused Local/MPO American Recovery and Reinvestment Act (ARRA) Funds Policy Options

Moving on, Chairman Moody invited Ms. Yazzie to present on the policy options for the reallocation of unused local/MPO American Recovery and Reinvestment Act funds. Ms. Yazzie informed the Committee that a five page memorandum and other handouts for the agenda item had been transmitted electronically to the Committee earlier in the week. She apologized for delay in disseminating the information citing that MAG had not received the information until Friday the previous week.

Ms. Yazzie acknowledged that Mr. Bill Vachon from the local Federal Highway Administration (FHWA) Office and Mr. John Dickson from the Arizona Department of Transportation (ADOT) Local Governments Section were at the table to assist in answering any questions or concerns of the Committee. She reiterated the main objective was to obligate all locally sponsored ARRA projects prior to the federally mandated March 2, 2010 deadline.

Ms. Yazzie stated that MAG Staff continued to frequently coordinate with ADOT and FHWA to meet the objective. Ms. Yazzie added that FHWA wanted to obligate all local, regional and state ARRA funds by February 1, 2010. She explained that FHWA's deadline was to allow the local office sufficient time to balance the books and ensure that all ARRA funding was obligated by the federally mandated deadline.

Ms. Yazzie emphasized the time constraints each agency would experience between November and January in attempt to process all of the ARRA funded projects. She reported that 65 local ARRA projects in the MAG Region, excluding highway projects and statewide ARRA projects. Ms. Yazzie cautioned that ADOT and FHWA would experience congestion in processing the ARRA projects given the number of projects that must be reviewed and obligated by the established deadlines.

Ms. Yazzie also cautioned that typically it required two to four weeks for a project to obligate once environmental clearances had been approved. She stated that self-certified agencies would be at an advantage in regards to clearances because generally the agency could obligate a project within a week once environmental cleared. She encouraged the Committee to consider these factors in the discussion and development of possible policy options.

Ms. Yazzie addressed a handout that was electronically disseminated to the Committee, which listed projects as possibly candidates for unobligated ARRA funds. She explained that the

eligibility listed in the handout was derived from project status information available to MAG, FHWA, and ADOT. Ms. Yazzie emphasized that projects listed as “No” were not being excluded from potential funding. She clarified that the projects did not appear, based on current information, to be likely to obligate by the February 1st deadline.

Ms. Yazzie added that project status in the handout could be discussed with each member agency and revised at a later time if additional information was available. She emphasized that a project listed as a “No” may be a potential candidate to receive ARRA project savings. She explained that MAG Staff would continue ARRA policy discussions through the January Committee cycle to identify candidate projects for ARRA project savings that could obligate after the initial March 2, 2010 deadline and prior to the September 10, 2010 deadline. Then, Ms. Yazzie summarized upcoming deadlines and meeting dates between November and the March obligation deadline. She also summarized the October ARRA Status Report noting the obligation of a City of Phoenix project.

Ms. Yazzie informed the Committee that key factors used to develop policy options included eligibility per the Surface Transportation Program (STP) and ARRA guidance and project readiness to obligate by the established deadlines. Ms. Yazzie stated that MAG Staff was coordinating with the Arizona Department of Transportation (ADOT), the Federal Highway Administration (FHWA), and the Federal Transit Administration (FTA) to evaluate project readiness. She then presented policy options, or categories, which were presented in no particular order.

Ms. Yazzie stated that under Category 1, unused/unobligated ARRA funds would be applied to existing ARRA funded projects, however, any increase in project scope would be prohibited. She announced that two analyses were conducted on Category 1, which were provided in Exhibits One and Two.

Ms. Yazzie explained that Exhibit One provided calculations if the existing local, regional, and non-ARRA federal funds were replaced with additional ARRA funds. She explained that the approach would result in current ARRA projects being funded with 100 percent ARRA funds. Ms. Yazzie reported that funding all ARRA projects at 100 percent could result in the obligation of \$18.45 million in unobligated ARRA funds by the March 2, 2010 deadline.

Ms. Yazzie explained that Exhibit Two demonstrated the application of unobligated ARRA funds to current ARRA funded projects that required additional funding due to unexpected project costs. She stated that more information would be required on the potential projects. Ms. Yazzie reported that the approach listed in Exhibit Two could result in the obligation of \$3.68 million in unobligated ARRA funds.

Then, Ms. Yazzie summarized the policy considerations pertaining to Category 1. She explained the policy considerations and proposed prioritization included:

- If the Local Agency had cost savings or unobligated ARRA funds, then the unused funds could be moved to another ARRA funded project in that jurisdiction that needed additional funds; AND THEN,
- If the Local Agency had cost savings or unobligated ARRA funds, and the Local Agency did not have another ARRA funded project that needed additional funds, the cost savings would be returned to the region to be reprogrammed on currently ARRA funded projects

that had other types of funding (i.e., federal, regional, local) programmed or that needed additional funds; OR

- If there are cost savings/unobligated ARRA Local funds, the funds are automatically returned to the region to be reprogrammed on a currently programmed ARRA funded project with other types of funding (federal, regional, local) programmed or that needed additional funds. (Under this policy option, the local agency would not have discretion in the reallocation of cost savings.); AND THEN,
- If the cost savings or unobligated ARRA funds came back to the region, currently programmed ARRA local projects that could use the funds would be reprogrammed according to a prioritized list generated by MAG and approved through the MAG Committee process.

Next, Ms. Yazzie summarized Category 2. She explained that under Category 2, cost savings or unobligated ARRA funds would be applied to federally funded projects that would obligate prior to March 2010. She stated that MAG Staff had received suggestions to reduce the minimum local match established in the Regional Transportation Plan (RTP) and other MAG policies to maximize the amount of ARRA funds that could be applied under Category 2.

Ms. Yazzie referred the Committee to Exhibit Three, which included two scenarios for replacing non-ARRA federal funds and other fund sources on currently programmed federally funded projects. Under Scenario 1, unobligated ARRA funds would be applied towards the local match on currently programmed federally funded projects resulting in several projects funded with 100 percent ARRA funds. Ms. Yazzie announced that under Category 2-Scenario 1, \$10.749 million in unobligated ARRA funds could obligate before the March deadline.

Ms. Yazzie explained the Category 2-Scenario 2 would work in a similar fashion, but maintain the local match requirement established in the Regional Transportation Plan (RTP) as well as other current MAG Policies. Under Scenario 2, non-ARRA federal funds and other funds would be removed and replaced with unused unobligated ARRA funds up to the regionally established local match requirement. Ms. Yazzie stated that under Category 2-Scenario 2 \$7.33 million could be obligated before March 2, 2010.

Mr. Eric Anderson stated that by replacing federal funds with ARRA funds, MAG Member Agencies would have the flexibility to obligate the freed up federal funds by September 2010. He added the federal funds then could be reprogrammed to other projects that would not obligate by the March deadline, but could obligate by the September deadline.

Ms. Yazzie informed the Committee that certain projects listed as “No” in Exhibit Three would be unable to obligate by March 2010, but may be eligible for ARRA project savings. She explained certain projects currently listed as “No” may be candidates for the reallocation of ARRA bid savings because the projects would be able to obligate by the federally mandated project savings obligation deadline of September 10, 2010.

Then, Ms. Yazzie summarized the policy considerations pertaining to Category 2. She explained the policy considerations and proposed prioritization included:

- If project cost savings occur AND the Local Agency had another federally funded project ready to obligate as indicated on the approved “ARRA Project Ready list,” AND the cost savings represent at least 25 percent of the federal funds programmed for the proposed project, THEN Local Agency could request to reprogram the funds to that project; OR.

- If the cost savings did not represent at least 25 percent of the federal funds programmed for a proposed project, THEN the cost savings would be returned to the region to be reprogrammed; OR;
- If a Local Agency had cost savings but did not have a federally funded project ready to obligate, THEN the cost savings are returned to the region to be reprogrammed.

Ms. Yazzie clarified that the 25 percent threshold listed in the policy considerations was a suggestion and not a recommendation. She explained that Committee should consider what threshold, if any, would be appropriate under the policy option.

Next, Ms. Yazzie discussed Category 3, which would apply funds towards other local projects eligible for ARRA funds that could obligate by March, but considered “new” or are not currently programmed federal funds. Ms. Yazzie referred the Committee to Exhibit Four that listed projects submitted by MAG Member Agencies for consideration and that the member agency thought could obligate by March 2, 2010.

Ms. Yazzie stated that based on discussions with ADOT and FHWA, all of the projects submitted for consideration would not obligate by the March 2nd deadline. She added that if member agencies had additional information that might change a project’s eligibility status that MAG would set up meetings to discuss documentation further. Ms. Yazzie emphasized that projects deemed “No” may be candidates for ARRA funds from bid savings after the March deadline.

Continuing on, Ms. Yazzie addressed Category 4. Under Category 4, the region would transfer any unobligated funds to the Arizona Department of Transportation for regional highway projects. Ms. Yazzie announced that the MAG Regional Council approved \$59 million in backup highway projects that could obligate by the March deadline. She stated that if the Committee decided to proceed with this option, then MAG would need to conduct additional talks with ADOT about the exchange of ARRA funds for STP funds.

Ms. Yazzie stated that Category 5 included the transfer of unobligated ARRA funds to transit for regional transit projects. She referred the Committee to Exhibit Six, which indicated that approximately \$62 million of capital projects are currently funded with ARRA Transit funds. Ms. Yazzie explained if highway/local/MPO ARRA funds were flexed over to transit, then an budget modification would be required that would reallocate the ARRA Transit funds to operations and maintenance and apply the highway/local/MPO ARRA funds to transit capital expenditures. She emphasized that under the STP guidance, ARRA and STP funds could not be used for transit operations and maintenance.

Ms. Yazzie explained that under the Category 5 option, the unobligated funds must be transferred by FHWA to FTA by February 1, 2010. She added that FHWA had encouraged MAG to apply the ARRA funds to non-transit projects before making the transfer if possible. She added that under the option, any funds flexed to transit must be obligated by September 2010, and any funds exchanged would not return to the MAG region.

Mr. Eric Anderson noted that the next regularly meeting of the TRC was schedule for Monday, December 14, 2009. He explained items discussed at that meeting would be presented to Management, TPC, and Regional Council in January. Mr. Anderson stated that MAG Staff

needed policy guidance from MAG Member Agencies otherwise staff would be forced to make the decision internally in order to ensure the obligation of the regional ARRA funds.

Mr. Anderson reported that MAG Staff would coordinate closely with FHWA and ADOT on project status over the next few weeks. He stated MAG intended to allow FHWA and ADOT to make the determination on if project could obligate by the established milestones and deadlines. Mr. Anderson added that if it appeared that a project might not obligate by the established deadlines, then MAG would coordinate with the Local Agency to determine if any remedial action was available to ensure timely obligation.

Chairman Moody invited Mr. Vachon to address the Committee before opening the floor to a general discussion. Mr. Vachon stated that FHWA was not interested in influencing the project selection and prioritization process. He stated that FHWA was subject to heightened scrutiny on ARRA funded projects from the US Congress and the General Accounting Office (GAO). Mr. Vachon stated that FHWA was available to assist agencies where applicable, but cautioned that FHWA would not give any leeway with the issues being discussed given the required level of transparency.

Mr. Eric Anderson stated that Arizona was subject to higher scrutiny on ARRA funding and implementation due to the FHWA Administrator's previous position as the Director of ADOT. He announced that the GAO had conducted an office visit two weeks early and would continue to monitor ARRA funded projects in the region.

Then, Chairman Moody invited Mr. John Dickson from the ADOT Local Governments Section to address the Committee. Mr. Dickson reiterated the sentiments of Mr. Vachon. He encouraged MAG Member Agencies to review project information in a timely manner in a effort to keep the obligation process fluid. Mr. Dickson stated that the ADOT's target was to finalized all environmental clearances by the end of November. He acknowledged that the effort was ambitious, but reachable if the local government coordinated with ADOT.

Chairman Moody solicited Committee input on the agenda item. Mr. Hauskins noted an error on Exhibit Three. He reiterated that Maricopa County was interested in being a team player in the ARRA programming process. Ms. Yazzie explained that readiness opinions were determined in collaboration with FHWA, FTA, MAG, and ADOT. She stated that MAG Staff would met with local agencies to address any concerns in greater details.

Mr. Hauskins and Mr. Ed Zuercher from the City of Phoenix expressed gratitude to MAG Staff, FHWA, and ADOT for their efforts on ARRA funded projects. Mr. Zuercher stated the a City of Phoenix recently obligated and that the City anticipated significant savings due to lower bid costs.

Mr. David Fitzhugh from the City of Avondale voiced support for Category 1 given the various factors associated with ARRA funding. He stated it would be beneficial to fund all existing projects at 100 percent before funding additional projects. Mr. Fitzhugh also concurred with

FHWA and ADOT's stance the Local/MPO ARRA funds should be applied to streets and highways before being applied towards transit.

Ms. Dennis voiced support for allowing local agency's to reprogram bid savings to other projects in that jurisdiction before returning the funds to the region for reprogram. She stated the City of El Mirage needed to coordinate with MAG on updating the project listing as presented in the Exhibits and MAG Transportation Improvement Program.

Ms. Yazzie inquired if the Committee felt a minimum savings threshold should be established to determine if the savings are reprogrammed within the jurisdiction or returned to region for reprogramming. She questioned the feasibility of programming a minute amount of bid savings to another project, which would require the local agency to provide a substantial amount of local funds. Mr. Eric Anderson added to the discussion stating that the administrative costs associated were significant when reprogramming ARRA funds to another project. He encouraged to the Committee to consider establishing a minimum threshold for projects.

Chairman Moody inquired if amendments to the TIP, if needed, would be difficult. Mr. Anderson replied that TIP amendments that did not impact air quality conformity could be done on a monthly basis. He explained that TIP amendments that did not impact conformity were typically financial adjustments. Mr. Anderson stated that MAG Staff would coordinate with member agencies on making necessary modifications to the TIP. A brief discussion followed.

Mr. Scott Lowe from the Town of Buckeye stated it might be in the region's best interest to maximize funding on existing projects, excluding expenditures related to scope creep. He stated that certain bid alternates might increase cost estimates without changing the scope of the project. Ms. Yazzie replied that in March/April 2009 that the City of Phoenix had contacted ADOT to request doing bid alternatives. She explained that FHWA sent the request the FHWA Headquarters for review and approval, and FHWA decided that bid alternatives would not be accepted for ARRA funded projects.

Ms. Yazzie stated that once a project scope and clearances had been submitted and approved that changes to the scope and type of pavement were not typically permitted. She deferred the question to Mr. Dickson for clarification and additional input. Mr. Dickson responded that allowable changes were dependent on the defined environmental footprint and other factors. Mr. Lowe stated that FHWA did allow bid alternatives regarding pavement. Ms. Yazzie deferred the question to Mr. Vachon, who stated that although FHWA would permit bid alternatives it was not something that ADOT traditionally permitted. A brief discussion followed.

Mr. Grant Anderson from the Town of Youngtown stated that the focus should be on clearances not design. He explained that small cities rely upon ADOT management consultants for clearances. He stated that obtaining clearances, not that design element, that was the critical path for small cities that wanted to apply bid savings from a project to another project. Mr. Grant Anderson stated it is the ADOT staff and the management consultants' capacity to obtain the clearances in a short time frame that was most important. He

emphasized the need to achieve the goals instead of saying things could not be done.

Mr. Dan Cook from the City of Chandler stated the process needed to be fluid and dynamic as it could be. He stated the application of unused ARRA may be based on projects, which are ready to go first. Ms. Yazzie stated that MAG Staff had conducted additional research, which noted potential projects to receive ARRA funding that could obligate between March and September 2010. She stated that MAG would send the information electronically to the Committee after the meeting.

Mr. Bob Maki from the City of Surprise expressed concerns about the delays in processing documentation at ADOT. He stated that delays were contributing local agency challenges in obligating projects within the established time frame.

Mr. Meinhart inquired if the suggested 25 percent threshold applied to the total project cost or the federal funds programmed on a project. Ms. Yazzie clarified the proposed threshold applied towards the total cost on federally funded projects. Mr. Meinhart inquired if MAG Staff had modified the stance on applying unobligated ARRA based on guidance received from FHWA and FTA. Ms. Yazzie explained that flexing the unobligated ARRA to transit was still a viable option, however, the funds could not be directly transferred to transit operations.

Mr. Brent Stoddard from the City of Mesa inquired if the “No” determination was based on the February or March 2010 deadlines discussed. Ms. Yazzie replied that both deadlines were taken into consideration when making the determinations. Mr. Stoddard stated member agencies probably needed additional time to process the information presented and to verify project information with internal staff, ADOT, FHWA and MAG before deciding on a specific policy option. A brief discussion followed.

Mr. Ed Zuercher from the City of Phoenix exited the meeting and was replaced by a proxy, Mr. Ray Dovalina. Mr. Stoddard inquired what specific guidance MAG was requesting from the Committee. Mr. Eric Anderson stated that MAG Staff would like guidance on a policy option to proceed adding that any guidance on the subject at this point would be beneficial. Mr. Anderson stated that MAG Staff could call a special session of the Transportation Review Committee to discuss the matter further and allow member agencies to review the information presented.

Ms. Yazzie encouraged the Committee to consider the likelihood that transit would have project savings from Transit ARRA funded projects. She stated that bid savings were coming in at 10 to 50 percent below cost estimates. Ms. Yazzie stated that according to the RPTA Board, the majority of Transit ARRA project savings would be allocated towards operation and maintenance.

Mr. Cato Esquivel from the City of Goodyear inquired if the supplanted funds in Exhibits One and Two would be returned to the local agencies or a regional pot for reprogramming. Ms. Yazzie replied that various factors would need to be considered. She added that Surface Transportation Program (STP) funds allocated to the Arterial Life Cycle Program would need to remain with the program due to a current deficit of program funds.

Discussion followed. After the discussion, Chairman Moody inquired if the Committee would like to make a motion. Mr. John Hauskins motioned for MAG Staff to conduct a special session of the Committee to allow members to review the information presented and discuss the agenda item further. Mr. Stoddard seconded, and the motion was approved by a unanimous voice vote of the Committee.

9. Revisions to the Arterial Life Cycle Program Policies and Procedures

Chairman Moody invited Ms. Christina Hopes from MAG to present proposed revisions to the Arterial Life Cycle Program (ALCP) Policies and Procedures (Policies). Ms. Hopes informed the Committee that the Arterial Life Cycle Program (ALCP) was one of three life cycle programs funded through Proposition 400. She stated that the implementation of the ALCP was governed by the ALCP Policies and Procedures approved through the MAG Committee Process.

Ms. Hopes explained that November 9, 2009 MAG Member Agencies had expressed concerns about the Policies after an update was approved by the MAG Regional Council on April 22, 2009. She reported that MAG Staff conducted an ALCP Working Group meeting on September 3, 2009 to address the concerns and develop potential revisions to the approved Policies. Ms. Hopes stated she would provide the Committee with an overview of the ALCP Working Group discussion and present policy recommendations stemming from the meeting. She stated that specific concerns addressed at the meeting included programming the ALCP with a deficit of program funds, the Regional Area Road Fund (RARF) Closeout Process, the timely and accurate collection of program data, and the reallocation of project savings.

First, Ms. Hopes discussed member agency concerns expressed about programming projects with a deficit of program funds. She reported that Section 270 of the Policies addressed the surplus or deficit of program funds in the ALCP. Ms. Hopes stated that the current policy was to defer programmed reimbursements in priority order in the event of a deficit. She explained that when a deficit of funds occurred that reimbursements would be shifted to maintain the fiscal balance of the program. Ms. Hopes informed the Committee that although the Working Group was concerned about the deficit of program funds, changes to existing policies were not recommended by the Working Group.

Next, Ms. Hopes addressed the RARF Closeout Process detailed in Section 260 of the Policies. She stated that Section 260 established the eligibility and prioritization of projects selected during RARF Closeout. Ms. Hopes explained that any project eligible for RARF Closeout must be completed and the facility must be open to traffic. She stated the issue addressed by the Working Group was if the definition of “completed” or “closed out” needed to be defined in the Policies. Ms. Hopes informed the Committee that a project previously recommended to receive RARF Closeout funds had requested to submit invoices after the project was reported as complete. She stated that although facilities may be open to traffic, invoices from consultants were submitted to the Lead Agency after the project segment was “closed out.”

Ms. Hopes announced the Working Group’s policy recommendation was to allow MAG Staff to make the determination on if a project is closed out, but to prohibit additional invoices from

being submitted for reimbursement. Ms. Hopes reported that the Working Group did not want to revise the current Policies and preferred that MAG Staff use their discretion in making decisions related to RARF Closeout eligibility and invoicing.

Moving on, Ms. Hopes discussed the timely and accurate submission of project data to MAG. Ms. Hopes stated that per the approved Policies, Lead Agencies were required to update project data on annual basis, commonly referred to as the annual update. She reported the MAG Staff has experienced issues with late submissions of data and gross inaccuracies in the data submitted. Ms. Hopes cited a length amendment in July 2009 to the MAG Transportation Improvement Program after the discovery of inaccurate project data being incorporated into the ALCP, which has been approved a month earlier. She provided examples that included data being submitted two to three months after the deadline as well as work being reported as done in previous years that had not been done and was now schedule to start in 2016.

Ms. Hopes informed the Committee that MAG Staff had no recourse when agencies did not submit accurate data in a timely manner. She stated that the ALCP Working Group agreed the issue was a concern, but did not propose revisions to the Policies or provide specific direction for MAG Staff. She requested the Transportation Review Committee's input on potential methods to improve the collection of data. A brief discussion followed. The Committee agreed that erroneous and late data was an issue and requested that MAG Staff conducted additional analysis and report to the Committee at a future meeting in an effort to resolve the issue.

Continuing on, Ms. Hopes discussed Section 350 of the Policies, which addressed the reallocation of project savings. Ms. Hopes directed the Committee's attention to the existing policy language that was provided in a memorandum in the agenda packet. She explained that the current policy required additional refinement because it was unclear if project savings must remain with a project until the entire corridor was completed. She added that the Policy also did not provide guidance on how the reallocation of project savings should be treated for multi-jurisdictional projects versus projects contained and administered wholly within one jurisdiction.

Chair Moody inquired about the current methods for notifying and requesting data regarding the ALCP. Ms. Hopes replied that at the start of each fiscal year MAG Staff published an ALCP Program Schedule that details processes and deadlines pertaining the program. She stated that two months prior to the annual update submission due date that MAG Staff disseminates materials, including clearly defined instructions and due dates. She added that MAG Staff continuously coordinates with member agencies during that period to facilitate the timely submission of accurate data.

Ms. Hopes expressed concerns about the assignment of TIP identification numbers for projects that would not be underway during the TIP window as well as the impact the inaccuracies have on the programming of reimbursement in the program, particularly when the ALCP is experiencing a deficit of program funds. Discussion followed.

Ms. Hopes informed the Committee that the ALCP Working Group's policy recommendation was to clarify the existing Policies to permit the reallocation of project savings once a project

segment is complete if the project segment is contained and administered wholly within one jurisdiction. She stated the Working Group also recommended adding a new policy requiring a Lead Agency to obtain consensus from any partnering agency(s) on the reallocation of project savings from a multi-jurisdictional project if the corridor was incomplete.

Ms. Hopes directed the Committee's attention to proposed revisions to the Policies included in the agenda packet. She stated the item was on the agenda for information, discussion, and recommendation to approve the proposed revisions to Policies as listed in the agenda attachment. The proposed revisions would modify Section 350 on the Reallocation of Project Savings to read as follows:

A. Project Savings from the ALCP will not be determined by MAG to be eligible for reallocation, unless and until:

1. Construction has been completed and the work satisfies the original intent and scope of the Project, as included in the Project Agreement and Project Overview, and there are remaining regional funds allocated to the Project; OR,
 - a. high degree of certainty is obtained that construction for the original ALCP Project will be completed consistent with the Project Agreement and Project Overview specified scope and schedule.
2. If applicable, right-of-way, or other capital assets acquired with ALCP funds not used in the ALCP Project is disposed of at market rates and the funds returned to the ALCP.
3. The project segment has been reimbursed or the Final PRR documenting all project costs has been accepted by MAG.

B. ALCP regional funds found by MAG to be surplus to an ALCP Project, and for which certain criteria as established below are met, may be noted as Project Savings and reallocated to another ALCP Project depending on the availability of Program funds. Project savings may be applied:

1. To another ALCP Project or Projects to address a budget shortfall, not to exceed 70 percent of the actual total Project costs.
2. To advance a portion or entire existing ALCP Project or Projects up to the amount of available Project Savings.

C. If there are ALCP Project Savings that are not reallocated to another project or project segment currently programmed in the ALCP and the ALCP is completed, then new Project(s) for that jurisdiction may be funded.

D. Project savings may be reallocated after the completion of an ALCP Project segment.

1. For project savings from completed ALCP project segments contained and administered wholly within one jurisdiction.
 - a. The Lead Agency responsible for the project segment may reallocate the project savings to another project currently programmed in the ALCP.
2. When project savings occurs on a completed ALCP project segment located in multiple jurisdictions:
 - a. The project savings must be reallocated to another project segment located on the same corridor unless:
 - i. All project segments located on the corridor are completed. If all project segments pertaining to a corridor currently programmed in the ALCP are complete, then the Lead Agency may reallocate the project savings to another project or project segment currently programmed in the ALCP under the Lead Agency's jurisdiction.
 - b. An exception to 350.C.2.a may be granted by MAG to a Lead Agency requesting the

reallocation of project savings to another corridor prior to the completion of the original corridor where the funds were programmed for reimbursement if the Lead Agency obtains consensus from the partnering agencies from each project segment on the corridor.

- i. The Lead Agency must submit a formal request in writing requesting the exception and documenting the requested reallocation of project savings. The written request must include the signed endorsement of a designated signer from each partnering agency before the reallocation will be programmed in the ALCP.

Mr. Stoddard from the City of Mesa motioned to approve the proposed revisions to ALCP Policies and Procedures approved on April 22, 2009 as presented in the agenda attachment. Mr. Dovalina from the City of Phoenix seconded, and the motion was approved by a unanimous voice vote of the Committee.

10. Acceptance of the Regional Transit Framework

Chairman Moody announced that the agenda item to accept the Regional Transit Framework Study would not be heard at this time. He stated that the agenda item would be heard by the Committee at a future meeting, and continued on to the next agenda item.

11. MAG Commuter Rail Studies Update

Chairman Moody invited Mr. Marc Pearsall from MAG to present an update on the MAG Commuter Rail Studies. Mr. Pearsall stated he would provide the Committee with an update on the Commuter Rail Studies being conducted by MAG Staff. Mr. Pearsall explained that at the request of the Regional Council, MAG Staff began in-depth Commuter Rail Planning Studies earlier in the year.

Mr. Pearsall explained that the Commuter Rail Strategic Plan indicated the need for additional planning studies on the Grand Avenue Corridor, the Yuma West Corridor, and a systemwide study. Mr. Pearsall announced that based on those recommendations MAG initiated three planning studies accordingly. He stated the Grand Avenue Corridor Development Plan would focus on the northwest of the region, and the Yuma-West Corridor Development Plan would focus on southwest valley communities. Mr. Pearsall added that the System Plan encompassed the entire MAG region and Northwestern Pinal County. He stated that a final report on the studies would be available in early 2010.

Next, Mr. Pearsall presented a series of flow-charts and maps that visualized MAG Staff's efforts on the studies. First, he presented a flowchart demonstrating the interactivity between the data-collection, the MAG rail studies and the ADOT- Building a Quality Arizona (BQAZ) rail studies that would be used to reach conclusions and recommendations in the final report. Mr. Pearsall also presented maps on the existing freight railroad network featuring candidate corridors for commuter rail service and presented a sampling of boardings per revenue mile from the first round of modeling.

Mr. Pearsall announced that the third round of modeling would be complete in November 2009. He explained the models would analyze operating scenarios, including cross valley service on a single train on multiple corridors. He stated that future extensions and

right-of-way preservation also would be included in the final report. Mr. Pearsall summarized the next steps in the ridership forecasting, which included:

- Base model scenario refinements;
- Interlined model scenarios and sensitivity test model runs,;
- Potential future extensions; and,
- Systems analysis and corridor prioritization.

Then, Mr. Pearsall stated the purpose of the corridor development plans was to determine the necessary elements to successfully implement commuter rail service and the feasibility of implementing commuter rail service from :

- Wickenburg/Wittmann to downtown Phoenix (Grand Avenue);
- Arlington/Buckeye to Phoenix-Sky Harbor-Tempe (Yuma West); and,

In closing, Mr. Pearsall provided an overview of the Commuter Rail Studies schedule. He stated that the majority of the three studies would be completed by the end of 2009 and that the final stakeholder meeting would be conducted in late January or early February 2010. Mr. Pearsall reported that MAG Staff would continue coordination with ADOT on Rail Studies and would like present the studies for review and acceptance through the MAG Committee process in the Spring of 2010.

Chairman Moody asked if there were any questions or comments about the agenda item. There were none, and Chairman Moody moved to the next item.

12. Report on the Performance Measurement Framework and Congestion Management Update (PM/CMP) Study

Chairman Moody announced that the report on the Performance Measurement Framework and Congestion Management Update Study would not be heard at this time. He stated that the agenda item would be heard by the Committee at a future meeting and proceeded to the next agenda item.

13. Request for Future Agenda Items

Chairman Moody inquired if the members had any topics or issues of interest they would like to have considered for discussion at a future Committee meeting. There were none, and Chairman Moody moved onto the next agenda item.

14. Member Agency Update

Chairman Moody asked members of the Committee if they would like to provide updates, address any issues or concerns regarding transportation at the regional level, and asked if any members in attendance would like to address recent information that was relevant to transportation within their respective communities. There were none, and Chairman Moody moved to the next agenda item.

15. Next Meeting Date

Chairman Moody informed members in attendance that the next regularly scheduled meeting of the Committee would be held on December 14, 2009. He added that MAG Staff would notify the Committee of the date, time, and location of the special session of the TRC to be held in the upcoming weeks. There be no further business, Chairman Moody adjourned the meeting at 11:53 a.m.